

Health and Human Services FY 2011-13 Budget Highlights

Overall Budget Impact

- HHS spending level is \$4.5 billion, an 8% reduction to the Continuation Budget
 - Maximizes federal receipts by swapping out state funds where possible to reduce General Fund spending by over \$30 million
 - Over 350 positions eliminated

Division of Central Management

- Eliminated 250 positions department-wide and reduced operational budgets throughout DHHS for a savings of \$9,475,435
 - Provided the Secretary flexibility to achieve these savings through a combination of position eliminations and reductions to administrative and operations activities

Division of Child Development and Early Education (DCDEE)

- Consolidated the More at Four Program into the Division of Child Development to be operated with the Star-Rated Licensure and Child Care Subsidy programs.
- Reduced funding for Smart Start programs by \$37.6 million, a 20% reduction to the program
- Changed child care subsidy policies by requiring that reimbursement only be allowed for three stars or higher

Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (DMH/DD/SAS)

- Reduced community services funds provided to Local Management Entities (LMEs) by \$20 million NR and directed DMH to develop a standardized set of covered benefits that can be paid for with LME Community Service Funds
- Reduced Community Service Funds by \$25 million NR for FY 2011-12. Directed LMEs to use their reserve fund balance to make up the reduction, and not reduce services

Division of Medical Assistance (DMA)

- Authorized DMA to levy an assessment of up to 5.5%, consistent with Federal Regulations, on Medicaid healthcare provider.
 - A portion of the assessment, \$60,183,120, will be retained by the state
- Revised the generic drug dispensing rate formula to encourage pharmacists to increase the number of generic prescriptions filled for savings of \$15,000,000
- Directed DHHS to work with Community Care of North Carolina (CCNC) to increase efforts to manage the care of Medicaid recipients who are aged, blind, or disabled so as to save \$90,000,000 in each year of the biennium